

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

BILL BLASS GROUP LLC,

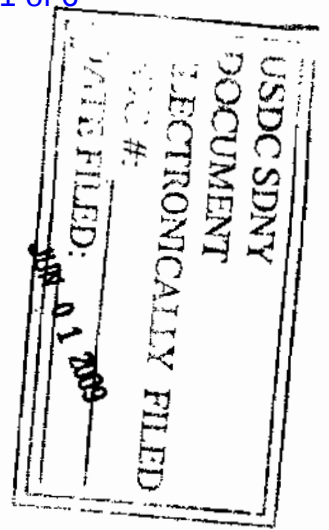
Plaintiff,

- against -

MORSLY INCORPORATED,

Defendant.

Case No: 09-CIV-4909



**CONSENT ORDER FOR A PRELIMINARY INJUNCTION
AS TO MORSLY INCORPORATED**

WHEREAS, On 13 June 2000, Bill Blass International ("BBI"), entered into a licensing agreement (hereinafter "Agreement") with Morsly Incorporated ("Morsly"), thereby allowing Morsly to use certain trademarks to design, manufacture, promote, sell, and distribute jogging sets, sweatsuits, and other activewear apparel (collectively "Products");

WHEREAS, The Agreement was subsequently amended on 08 April 2004 (the "First Amendment"), 28 April 2004 (the "Second Amendment"), 01 July 2006 (the "Third Amendment"), 10 July 2007 (the "Fourth Amendment"), and 13 July 2008 (the "Fifth Amendment"). The Agreement, together with the various Amendments, will collectively be referred to as the "License Agreement."

WHEREAS, Bill Blass Group LLC ("BBG") acquired all right, title and interest in the "Blass Marks," which include but are not limited to the list below, and corresponding license agreements in December 2008;

The "Blass Marks"

	Serial Number	Registration Number	Word Mark
1	78981058		BB
2	78627772		BB
3	78918355		BLASS BY BILL BLASS
4	78764631		BILL BLASS ESSENTIALS
5	78764625		BILL BLASS NUDE
6	78325999	2910935	BILL BLASS NEW YORK
7	77719192		BILLY BY BILL BLASS
8	77719187		BILLY BLASS
9	77033135	3513071	BB
10	77033094	3513070	BILL BLASS
11	76975496	2760182	BABY BLASS
12	76557743	2951043	STUDIO BILL BLASS
13	76540294	2888632	BB
14	76540293	2886024	BILL BLASS HOME DÉCOR
15	76536068	3107223	BB
16	76330654	2759886	BILL BILL BLASS
17	76330653	2856344	BABY BLASS
18	76206123	2605780	BILL BLASS
19	75597913	2288060	BILL BLASS
20	75856001	2478584	BILL BLASS
21	75571166	2500696	BILL BLASS AMAZING
22	74435985	2198701	BILL BLASS
23	74336526	1889317	BILL BLASS
24	73609916	1434653	BILL BLASS
25	73086349	1070427	BILL BLASS
26	72386317	949062	BILL BLASS
27	76975043	2694121	BLASSPORT
28	76287180	2948584	BLASSPORT
29	75728589	2571865	BLASSPORT
30	73027730	1018060	BLASSPORT

WHEREAS, Pursuant to the various Amendments, the "Term" of the License Agreement was extended to 31 December 2009;

WHEREAS, on 01 January 2009, pursuant to the License Agreement, Morsly was required to make certain payments of Guaranteed Minimum Royalties and Guaranteed Minimum Fees;

WHEREAS, Morsly did not make certain payments of Guaranteed Minimum Royalties and Guaranteed Minimum Fees pursuant to the License Agreement on 01 January 2009 or thereafter;

WHEREAS, Morsly, via written notice on 28 January 2009, alleged that in 2008 BBI had defaulted under the License Agreement, in that, among other things, it had failed to properly expend the Advertising Minimum pursuant to the License Agreement,;

WHEREAS, on 30 March 2009, BBG advised Morsly, via written notice, that Morsly was in default under the License Agreement, as certain payments of Guaranteed Minimum Royalties and Guaranteed Minimum Fees had not been made and further demanded cure within ten days;

WHEREAS, on 14 April 2009 BBG provided written notice of termination of the License Agreement to Morsly;

WHEREAS, on 26 May 2009, plaintiff, BBG, commenced this action against Morsly;

WHEREAS, Morsly denies the allegations asserted by BBG in this action, except to the extent that BBG and Morsly have agreed to the "Whereas" clauses herein;

WHEREAS, on 26 May 2009, BBG filed an Order to Show Cause seeking, among other things, a preliminary injunction to enjoin Morsly from continuing to use the Blass Marks;

WHEREAS, Morsly represents that it does not have any Products, either completed or in progress, bearing the Blass Marks;

WHEREAS, Morsly and BBG agree that the License Agreement is terminated;

WHEREAS, BBG and Morsly, by and through their respective counsel, have conferred and have agreed to the terms of a "Preliminary Injunction" concerning Morsly;

WHEREAS, BBG and Morsly, by and through their respective counsel, respectfully request that the Court enter this Order to effectuate the terms of the Preliminary Injunction concerning Morsly;

NOW, THEREFORE, upon the consent of the parties, and for good cause shown it is hereby:

ORDERED that the above recitals are an integral part of this agreement. These recitals are true and correct, are admitted, and the parties are bound thereby;

ORDERED that Morsly and its principals, officers, members, employees, agents, affiliates, related-parties, representatives, and/or other persons who are in active concert or participation with the aforementioned individuals or entities are enjoined from any further use of any name or trademark which includes, but is not limited to, "Bill Blass," "BB," "Bill Blass Home Décor," or "Blassport;"

ORDERED that Morsly and its principals, officers, members, employees, agents, affiliates, related-parties, representatives, and/or other persons who are in active concert or participation with the aforementioned individuals or entities are enjoined from using any other mark, word, name, or symbol similar to Plaintiff's tradenames or trademarks, including the Blass Marks, which are likely to cause confusions, mistake, or to deceive;

ORDERED that Morsly and its principals, officers, members, employees, agents, affiliates, related-parties, representatives, and/or other persons who are in active concert or participation with the aforementioned individuals or entities are enjoined from infringing

Plaintiff's rights in its aforesaid tradenames and trademarks, including the Blass Marks, or using any colorable imitation thereof;

ORDERED that Morsly and its principals, officers, members, employees, agents, affiliates, related-parties, representatives, and/or other persons who are in active concert or participation with the aforementioned individuals or entities are enjoined from selling, offering for sale, advertising or distributing any products bearing Plaintiff's tradenames or trademarks, including the Blass Marks, or any colorable imitation thereof;

ORDERED that Morsly and its principals, officers, members, employees, agents, affiliates, related-parties, representatives, and/or other persons who are in active concert or participation with the aforementioned individuals or entities are enjoined from diluting and infringing Plaintiff's rights in its aforesaid tradenames and trademarks, including the Blass Marks;

ORDERED that within three (3) days of the date of this Order, Morsly will remove any Blass Marks or references to Bill Blass, BBG, or the Blass Marks, if any, from its website and promotional materials, including but not limited to business cards and brochures;


ORDERED that on or before 19 June 2009, Morsly will fully comply with:

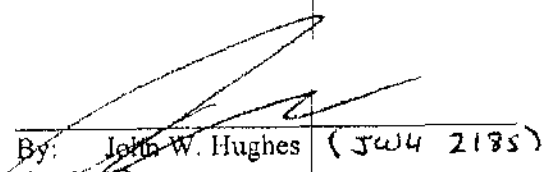
- (a) §12.1 of the Standard Terms by providing Sales Reports for the following periods to Plaintiff's Counsel:
 - a. 2008 (the entire year)
 - b. 2009 (year to date)

Dated: New York, New York
29 May 2009

BALLON STOLL BADER & NADLER, P.C.

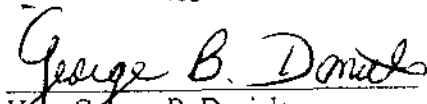
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SO ORDERED:

JUN 01 2009


Hon. George B. Daniels
United States District Judge

HON. GEORGE B. DANIELS